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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)
COMPANY'S REQUEST FOR ACCEPTANCE) CASE NO. IPC-E-10-25
OF ITS 2011 RETIREMENT BENEFITS)
PACKAGE.)
_____)

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

GREGORY W. SAID

1 Q. Please state your name and business address.

2 A. My name is Gregory W. Said and my business
3 address is 1221 West Idaho Street, Boise, Idaho.

4 Q. By whom are you employed and in what
5 capacity?

6 A. I am employed by Idaho Power Company ("Idaho
7 Power" or "Company") as the General Manager of Regulatory
8 Affairs.

9 Q. Please describe your educational background.

10 A. In May of 1975, I received a Bachelor of
11 Science Degree in Mathematics with honors from Boise State
12 University. In 1999, I attended the Public Utility
13 Executive Course at the University of Idaho. Over the
14 years I have attended numerous industry conferences and
15 training sessions.

16 Q. Please describe your work experience with
17 Idaho Power.

18 A. I became employed by Idaho Power in 1980 as
19 an analyst in the Resource Planning Department. In 1985,
20 the Company applied for a general revenue requirement
21 increase. I was the Company witness addressing power
22 supply expenses.

23 In August of 1989, after nine years in the Resource
24 Planning Department, I was offered and I accepted a

1 position in the Company's Rate Department. With the
2 Company's application for a temporary rate increase in
3 1992, my responsibilities as a witness were expanded.
4 While I continued to be the Company witness concerning
5 power supply expenses, I also sponsored the Company's rate
6 computations and proposed tariff schedules in that case.

7 Because of my combined Resource Planning and Rate
8 Department experience, I was asked to design a Power Cost
9 Adjustment ("PCA") which would impact customers' rates
10 based upon changes in the Company's net power supply
11 expenses. I presented my recommendations to the Idaho
12 Public Utilities Commission ("Commission") in 1992, at
13 which time the Commission established the PCA as an annual
14 adjustment to the Company's rates.

15 In 1996, I was promoted to Director of Revenue
16 Requirement and in 2002, I was promoted to Manager of
17 Revenue Requirement. I managed the preparation of revenue
18 requirement information for regulatory proceedings in both
19 Idaho and Oregon from 1996 through 2008.

20 In 2008, I was promoted to Director of State
21 Regulation. In that capacity, I was asked by Mr. Ric Gale,
22 Vice President of Regulatory Affairs, to lead, manage, and
23 coordinate the preparation and development of general rate
24 cases in their entirety. In April 2010, I was promoted to

1 my current position, General Manager of Regulatory Affairs,
2 replacing Mr. Gale as the leader of the department. Mr.
3 Gale is now responsible for other areas of the Company.

4 Q. What is the Company requesting in this
5 proceeding?

6 A. The Company requests that the Commission
7 issue an order accepting the Company's 2011 Retirement
8 Benefits Package on or before February 28, 2011.

9 Q. Why is the Company requesting that the
10 Commission issue such an order?

11 A. Earlier this year, the Company requested
12 recovery of its anticipated 2010 cash contribution to its
13 defined benefit plan or pension plan. The Commission in
14 Order No. 31091 allowed a rate change for recovery of \$5.4
15 million per year. The Commission Order also stated:

16 Idaho Power is advised that, previous
17 orders notwithstanding, approval of
18 the Company's pension contributions in
19 this case does not guarantee Commission
20 approval of future pension plan
21 contributions. Authority for the
22 balancing account and regulatory
23 account remain in place. However,
24 further justification is required
25 before additional rate recovery for
26 future contributions will be
27 authorized. During the next three
28 years, Idaho Power anticipates
29 additional payments to its employee
30 pension plan of approximately \$68
31 million. Staff Comments, p. 4. During
32 2014-2018, the payments may total

1 nearly \$157 million. *Id.* It is
2 unreasonable for Idaho Power's
3 customers to be solely responsible for
4 large contributions to the Company's
5 defined benefit pension plan. Many
6 employers in recent years have replaced
7 their defined benefit plans with
8 pension programs that place greater
9 responsibility and investment risks on
10 employees. Idaho Power must similarly
11 consider changes to its retirement plan
12 and address shareholder and employee
13 liabilities in the assignment of
14 pension plan investment risk. The
15 Commission will not approve recovery of
16 additional pension plan contributions
17 from customers without evidence that
18 Idaho Power has carefully reviewed
19 alternatives to reduce the burden
20 placed on customers.

21
22 The Company is not requesting recovery of additional
23 pension plan contributions from customers at this time.
24 However, as the Commission has ordered, the Company has
25 reviewed not only its pension plan but the totality of its
26 retirement benefits package, including costs, benefits, and
27 risks associated with the package. This filing is intended
28 to provide the Commission with evidence that the Company
29 has evaluated the costs of its retirement benefits package,
30 has considered and implemented changes, and has a prudent
31 retirement benefits package with a reasonable cost burden
32 for Idaho Power customers.

1 Q. Was the Company's evaluation of its
2 retirement benefits package solely in response to
3 Commission Order No. 31091?

4 A. No. Mr. Darrel Anderson, Idaho Power's
5 Executive Vice President of Administrative Services and
6 Chief Financial Officer, will provide testimony in this
7 proceeding explaining that the Company reviews the costs of
8 its retirement benefits package annually and has made
9 changes over time to remain comparable to, but competitive
10 with, peer group companies.

11 Q. Please comment on the Commission Order No.
12 31091's phrase "reasonable burden for Idaho Power
13 customers."

14 A. My read of the Commission Order language is
15 that the Commission wants to refresh its understanding of
16 the Company's management of retirement benefits package
17 costs over time to ensure that such management is prudent
18 and resulting costs are reasonable. Mr. Anderson and Ms.
19 Sharon Gerschultz, Director of Compensation and Benefits,
20 will provide the Commission with testimony regarding the
21 management of retirement benefits package costs over time.
22 It is the Company's belief that upon review of the
23 Company's testimony, the Commission will be able to
24 conclude that the management of retirement benefits package

1 costs over time has been reasonable and that the retirement
2 benefits package going forward is reasonable and prudent.

3 Q. Do you believe that the Commission's
4 directive to the Company as quoted earlier in your
5 testimony suggests that future recovery of pension funding
6 obligations is subject to review of the Company's
7 retirement benefits package costs prior to such recovery?

8 A. Yes. The Company believes that this case
9 will serve as the necessary review required by the
10 Commission. It should be noted that funding requests for
11 pension costs represent costs that are driven by plan
12 commitments to date. Changes to retirement benefits
13 package costs at this time will affect *future* cost
14 obligations that result from implementation of the current
15 package. However, changes will not affect cost obligations
16 resulting and remaining from *prior* retirement benefit
17 packages.

18 Q. Please further distinguish between review of
19 prudence for the overall retirement benefits package and
20 funding requests for the pension plan portion of the
21 retirement benefits package.

22 A. Idaho Power currently seeks review of its
23 overall retirement benefits package and does not request
24 recovery of amounts spent to fund the pension portion at

1 this time. Moreover, the Company believes that the
2 acceptance of its retirement benefits package should be
3 based upon a comparison of the cost of the Company's
4 package over the life of the package (long-term view) to
5 the cost of retirement benefits provided by comparable
6 businesses. The Company also believes that it would be
7 unreasonable to view its retirement benefits package as
8 unacceptable based upon current pension funding obligations
9 resulting from a downturn in the economy (short-term view).

10 Q. Does this conclude your testimony?

11 A. Yes.